

Decision Maker: ENVIRONMENT & COMMUNITY SERVICES PDS COMMITTEE

Date: Tuesday 9 April 2019

Decision Type: Non-Urgent Non-Executive Non-Key

Title: CONTRACT REGISTER

Contact Officer: Sarah Foster, Head of Performance Management and Business Support
Tel: 020 8313 4023 Email: sarah.foster@Bromley.gov.uk

Chief Officer: Nigel Davies, Executive Director of Environment & Community Services

Ward: All Wards

1. Reason for report

- 1.1 This report presents an extract from March 2019 Contracts Register for detailed scrutiny by PDS Committee – all PDS committees will receive a similar report each contract reporting cycle, based on data as at 20th March 2019 and presented to Contracts Sub-Committee on 2nd April 2019.
- 1.2 The Contracts Register contained in 'Part 2' of this agenda includes a commentary on each contract to inform Members of any issues or developments (there is no covering report).

2. **RECOMMENDATIONS**

That the Environment and Community Services PDS Committee:

- 2.1 **Reviews and comments on the Contracts Register as at 20th March 2019.**
- 2.2 **Note that the Contracts Register in Part 2 contains additional, potentially commercially sensitive, information in its commentary.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: The appended Contracts Register covers services which may be universal or targeted. Addressing the impact of service provision on vulnerable adults and children is a matter for the relevant procurement strategies, contracts award and monitoring reports, and service delivery rather than this report.
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Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Excellent Council:
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Financial

1. Cost of proposal: - N/A
 2. Ongoing costs: - N/A
 3. Budget head/performance centre: Environment & Community Services Portfolio
 4. Total current budget for this head: £29.822m
 5. Source of funding: Existing revenue budget for 2018/19
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Personnel

1. Number of staff (current and additional): - 146.87 FTEs
 2. If from existing staff resources, number of staff hours: - N/A
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Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Not Applicable:
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Procurement

1. Summary of Procurement Implications: Improves the Council's approach to contract management
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Contracts Register Background

- 3.1 The Contracts Database is fully utilised by all Contract Managers across the Council as part of their Contract Management responsibilities, which includes updating the information recorded on the database. The Register is generated from the Contracts Database which is administered by Commissioning & Procurement Directorate and populated by the relevant service managers (Contract Owners) and approved by their managers (Contract Approvers).
- 3.2 As a Commissioning Council, this information is vital to facilitate a full understanding of the Council's procurement activity and the Contracts Register is a key tool used by Contract Managers as part of their daily contract responsibilities. The Contract Registers are reviewed by the Commissioning Board, Chief Officers, Corporate Leadership Team, and Contracts Sub-Committee as appropriate
- 3.3 The Contracts Register is produced four times a year for members– though the CDB itself is always 'live'.
- 3.4 Each PDS committee is expected to undertake detailed scrutiny of its contracts – including scrutinising suppliers – and hold the Portfolio Holder to account on service quality and procurement arrangements.

Contract Register Summary

- 3.5 The Council has 216 active contracts covering all portfolios as of 20th March 2019 for the April reporting cycle as set out in Appendix 1.
- 3.6 The Key information, for this Portfolio, is shown in the table below.

Environment and Community Services					
Item	Category	July 2018	September 2018	December 2018	April 2019
Total Contracts	£50k+	20	21	21	21
Concern Flag	Concern Flag	0	5	2	3
Risk Index	Red	5	5	5	5
	Amber	8	9	9	9
	Yellow	5	5	5	5
	Green	2	2	2	2
Total		20	21	21	21
Procurement Status	Red	14	14	16	16
	Amber	2	2	0	1
	Yellow	0	1	1	0
	Green	4	4	4	4
Total		20	21	21	21

- 3.7 The following contracts have been flagged for attention due to the tight timescales for tender (rather than any performance issues associated with the delivery of the contract):

Contract ID	Contract Name	Total Contract Value (£)	Contract End Date
3789	Openview Security Solutions	317,971	31/05/2019
1375	Depots Security	284,927	31/03/2019
13	Vehicle and Plant Maintenance, Repairs and Associated Transport Services	1,245,040	05/04/2019

4. IMPACT ON VULNERABLE ADULTS & CHILDREN

- 4.1 The Corporate Contracts Register covers all Council services: both those used universally by residents and those specifically directed towards vulnerable adults and children. Addressing the impact of service provision on the vulnerable is a matter for the relevant procurement strategies, contracts, and delivery of specific services rather than this summary register.

5. POLICY IMPLICATIONS

- 5.1 The Council's renewed ambition is set out in the 2016-18 update to [Building a Better Bromley](#) and the Contracts Database (and Contract Registers) help in delivering the aims (especially in delivering the 'Excellent Council' aim). For an 'Excellent Council', this activity specifically helps by 'ensuring good contract management to ensure value-for-money and quality services'.

6. PROCUREMENT IMPLICATIONS

- 6.1 Most of the Council's (£50k plus) procurement spend is now captured by the Contracts Database. The database will help in ensuring that procurement activity is undertaken in a timely manner, that Contract Procedure Rules are followed and that Members are able to scrutinise procurement activity in a regular and systematic manner.

7. FINANCIAL IMPLICATIONS

- 7.1 The Contracts Database and Contract Registers are not primarily financial tools – the Council has other systems and reports for this purpose such as the Budget Monitoring reports. However, the CDB and Registers do contain financial information both in terms of contract dates and values and also budgets and spend for the current year.

8. PERSONNEL IMPLICATIONS

- 8.1 There are no direct personnel implications but the Contracts Database is useful in identifying those officers directly involved in managing the Council's contracts.

9. LEGAL IMPLICATIONS

- 9.1 There are no direct legal implications but the Contracts Database does identify those contracts which have a statutory basis and also those laws which should be complied with in delivering the contracted services.

9.2 A list of the Council's active contracts may be found on Bromley.gov.uk to aid transparency (this data is updated after each Contracts Sub-Committee meeting).

Non-Applicable Sections:	None
Background Documents: (Access via Contact Officer)	<ul style="list-style-type: none">• Appendix 1 – Key Data (All Portfolios)• Appendix 2 - Contracts Database Background information• Appendix 3 – Contracts Database Extract PART 1 (March 2019)


Appendix 1 Key Data (All Portfolios)

Item	Category	April 2019
Contracts (>£200k TCV)	All Portfolios	163
Flagged as a concern	All Portfolios	8
Capital Contracts	All Portfolios	9
Portfolio	Adult Care and Health	70
	Education, Children and Families	23
	Environment and Community Services	18
	Public Protection and Safety	7
	Renewal and Recreation and Housing	9
	Resources Commissioning and Contract Management	36
Total		163
Risk Index	Red	11
	Amber	82
	Yellow	64
	Green	6
Total		163
Procurement Status	Red	59
Procurement Status	Amber	20
Procurement Status	Yellow	40
Procurement Status	Green	44
Total		163
Procurement Status	Imminent	3
Total		3

Appendix 2 - Contracts Register Key and Background Information

Contract Register Key

1.1 A key to understanding the Corporate Contracts Register is set out in the table below.

Register Category	Explanation
Risk Index	Colour-ranking system reflecting eight automatically scored and weighted criteria providing a score (out of 100) / colour reflecting the contract's intrinsic risk
Contract ID	Unique reference used in contract authorisations
Owner	Manager/commissioner with day-to-day budgetary / service provision responsibility
Approver	Contract Owner's manager, responsible for approving data quality
Contract Title	Commonly used or formal title of service / contract
Supplier	Main contractor or supplier responsible for service provision
Portfolio	Relevant Portfolio for receiving procurement strategy, contract award, contract monitoring and budget monitoring reports
Total Contract Value	The contract's value from commencement to expiry of formally approved period (excludes any extensions yet to be formally approved)
Original Annual Value	Value of the contract its first year (which may be difference from the annual value in subsequent years, due to start-up costs etc.)
Budget	Approved budget for the current financial year. May be blank due to: finances being reported against another contract; costs being grant-funded, complexity in the finance records e.g. capital (also applies to Projection)
Projection	Expected contract spend by the end of the current financial year
Procurement Status	Automatic ranking system based on contract value and proximity to expiry. This is designed to alert Contract Owners to take procurement action in a timely manner. Red ragging simply means the contract is nearing expiry and is not an implied criticism (indeed, all contracts will ultimately be ragged 'red').
Start & End Dates	Approved contract start date and end date (excluding any extension which has yet to be authorised)
Months duration	Contract term in months
Attention 	Red flag denotes Commissioning & Procurement Directorate's concern regarding procurement arrangements (also see C&P Commentary in Part 2)
Commentary	Contract Owners provide a comment – especially where the Risk Index or Procurement Status is ragged red or amber. Commissioning & Procurement Directorate may add an additional comment for Members' consideration <i>The Commentary only appears in the 'Part 2' Contracts Register</i>
Capital	Most of the Council's contracts are revenue-funded. Capital-funded contracts are separately identified (and listed at the foot of the Contracts Register) because different reporting / accounting rules apply

Contract Register Order

- 1.2 The Contracts Register is output in Risk Index order. It is then ordered by Procurement Status, Portfolio, and finally Contract Value. Capital contracts appear at the foot of the Register and 'contracts of concern' (to Commissioning & Procurement Directorate) are flagged at the top.





Risk Index

- 1.3 The Risk Index is designed to focus attention on contracts presenting the most significant risks to the Council. Risk needs to be controlled to an acceptable level (our risk appetite) rather than entirely eliminated and so the issue is how best to assess and mitigate contract risk. Contract risk is assessed (in the CDB) according to eight separate factors and scored and weighted to produce a Risk Index figure (out of 100). These scores are ragged to provide a visual reference.

Contract Risk Status		45.4	
Hide Risk Details			
Ref	Risk Type	Analyses Result	Score
1	Company Size	Mutiple Suppliers / Sizes	0.6
2	Total Contract Value	>£100k <£500k	2.0
3	Annual Contract Value	>£50k <£100k	12.0
4	Budget & projected spend variance	Default Score used	10.0
5	Sector	Other	5.0
6	Contract Term (Remaining Agreed Term)	1-2 yrs	1.2
7	Contract Type	Framework Contract	4.6
8	Procurement Status Ragging		10.0

Procurement Status

1.4 A contract’s Procurement Status is a combination of the Total Contract Value (X axis) and number of months to expiry (Y axis). The table below is used to assign a ragging colour. Contracts ragged red, amber or yellow require action – which should be set out in the Commentary. Red ragging simply means the contract is nearing expiry and it is not an implied criticism (indeed, all contracts will ultimately be ragged ‘red’).

		Procurement / Commissioning Status					
Period	3 months						 Requires an agreed plan  Develop / test options  Consider options  No action required
	6 months						
	9 months						
	12 months						
	18 months						
		£5k - £50k	£50k - £100k	£100k - £173k	£173k - £500k	>£500k	
		Total Contract Value					